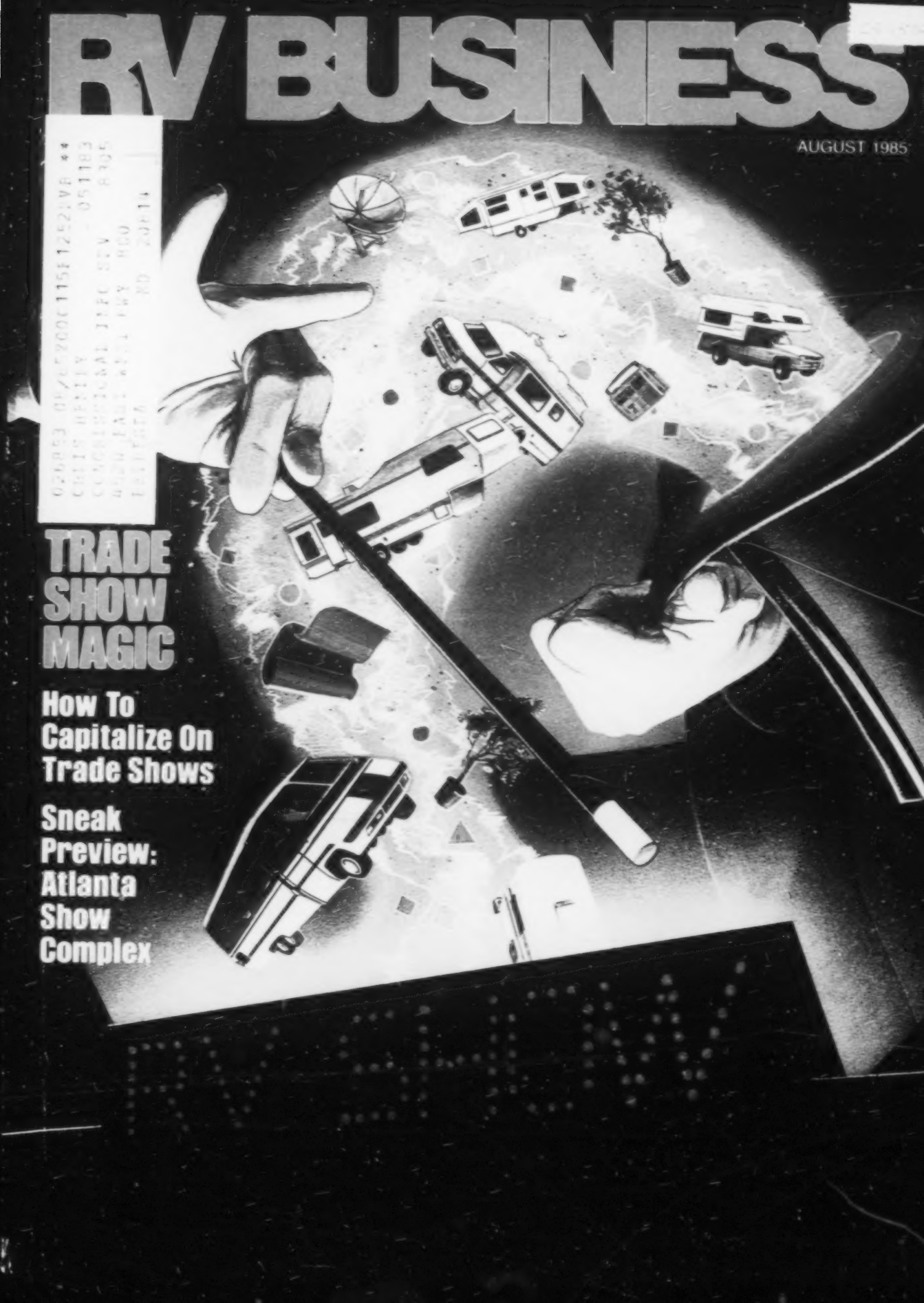
RV BUSINESS

AUGUST 1985



TRADE SHOW MAGIC

How To Capitalize On Trade Shows

Sneak Preview: Atlanta Show Complex

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TRADE-SHOW SELLING
Don Magary

Success at a show doesn't have to be a gamble. Confidence is a result of months of hard work and thoughtful planning.

FIFTY REASONS TO SHOW

THE ASSOCIATION-SPONSORED SHOW
Susan R. O'Hara

"Since few associations report having ever lost money conducting a show, association-sponsored RV shows seem a safe bet...."

THE ATLANTA SHOW
John Thompson

A cosmopolitan setting, 639,000 square feet of expansive floor space and a few pleasant surprises make this an interesting alternative to Louisville.

CHASSIS AGE VS. MODEL AGE
Bob Longsdorf

"... As long as the basic problem remains, the potential for trouble—for abuses by unscrupulous dealers——will be there."

LOOK SHARP, BE SHARP
Bob Honke

For improved sales, improve appearances. First, change your own habits, but it's not easy to see one's own dirt.

AD OF THE MONTH
Ben Sussman

Marshall Brass—their cup overfloweth with sales inquiries.

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There is more than a little magic involved in materializing a trade show. The success of these events is no illusion. Read how to stage a show—and how to get the most out of it—beginning on page 46. And enjoy a sneak preview of the industry's newest show location on pages 70-71. Cover illustration: David Clemons.

Perspective

An analysis of RVB's monthly survey of its Dealer Advisory Board Members

GAYLORD MAXWELL

	NEW						USED					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	MAY '85	MAY '84	% CHANGE	1985	1984	% CHANGE	MAY '85	MAY '84	% CHANGE	1985	1984	% CHANGE
MOTORHOMES	133	149	–10%	594	607	– 2%	93	107	–13%	452	499	– 9%
TRAVEL TRAILERS	116	145	+20%	471	515	– 9%	109	95	+15%	390	466	–16%
TRUCK CAMPERS	30	26	+15%	89	90	– 1%	23	18	+28%	75	108	–31%
CAMPING TRAILERS	134	160	–16%	594	719	–17%	33	37	–11%	161	132	+22%
FIFTH-WHEELS	31	37	–16%	142	186	–24%	9	7	+29%	46	46	same

	FOR MONTH			YEAR-TO-DATE		
	MAY '85	MAY '84	% CHANGE	1985	1984	% CHANGE
SALES VOLUME	$10,238,633	$10,895,021	– 6%	$45,273,040	$45,706,760	– 1%
TOTAL UNIT SALES	711	781	– 9%	3,014	3,368	–11%
NEW UNIT SALES	444	517	–14%	1,819	2,117	–11%
USED UNIT SALES	267	264	+ 1%	1,124	1,251	–10%

If there were expectations of a pre-summer buying spree, they have been proven hollow. Dealers are struggling to keep the ink black.

The marketplace isn't a shambles by any means, but sales are running behind those of '84. Dollar volume is close for the two years, but new-unit sales are significantly off. Used sales are not much better.

Numbers alone don't tell the entire story. According to RVB's Dealer Advisory Board (DAB) members, it is a struggle to get sales. Traffic is down and competition is unusually stiff; consequently, grosses are lower. Some dealers report that, although they are maintaining the same dollar volume, they aren't making any money.

Things aren't all bad, however. Indeed, several DAB members are having a banner year. There is no particular rhyme or reason for success or failure in terms of geography; no area is 100 percent up or down. No particular RV type is in special demand or lacking in demand. The dealership size does not seem to be the key to success or failure. In short, it is a mixed bag.

Many things are blamed for the sluggish RV market. Most dealers believe the problem is primarily economic. People simply do not have the money to pay for expensive RVs. The uncertainty of the future keeps many people from signing long-term notes. Job security does not mean what it did a couple of decades ago—especially for blue-collar workers.

MOTORHOMES

Both new and used motorhome sales dropped in May, but things are not too bad for the year-to-date. Most of the larger DAB dealers managed to stay close to last year's figures, but nearly all complain of traffic shortages and poor grosses.

Surprisingly, used units are down more than new. For several years, used motorhomes have moved quickly at high prices. They have definitely slowed down and prices have weakened. Only one DAB dealer rated profits on motorhomes excellent; most said they were fair or good.

TRAVEL TRAILERS

This category took it on the chin in May—a drop of 20 percent in new-unit sales. Used units aren't doing as well as new ones. Trailer specialists are perplexed about the public's seeming lack of interest in pull-type RVs.

There is a lot of product shuffling in the marketplace as dealers readjust their inventories. Profits were generally rated fair to good, but there were more poor marks than usual.

TRUCK CAMPERS

Our DAB camper specialist had a very good month, as did other multitype dealers who has a good stock of campers. This is the only category this month that has plusses in both new and used sales for the month of May. Year-to-date, the 1 percent drop in sales of new units is the lowest for any category. Sales were rated excellent by the specialist and poor by another dealer.

CAMPING TRAILERS

The drop in May is consistent with the year-to-date drop in new-unit sales. This RV type, which is purchased primarily by blue-collar families, just is not as much in demand this year as it was last year. Uncertainty about the economic picture probably accounts for much of the drop. Also, many families have such small cars that they can't easily tow the folding camping trailers, which can weigh up to a ton when loaded.

Camping trailer grosses have dropped significantly. In past years they have usually been the leader in profit percentages, but that has changed. Only one DAB dealer rated profits excellent in May; most rated them fair or good.

FIFTH-WHEELS

In terms of percentages, this type is the leading loser for the year-to-date with a drop of 24 percent. Both DAB dealers who specialize in fivers are significantly down in sales. They don't know why. Profits, however, were rated good. Δ

Perspective is a compilation of data provided by RVB's Dealer Advisory Board (DAB), a group comprised of 23 dealers representing a cross-section of the U.S. Dealer body. This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

RVIA, MAY

The marketing committee of the Recreation Vehicle Industry Association has announced that the total number of recreational vehicles shipped from manufacturers' plants during May 1985 was 36,400 units, down 9.0% from May 1984.

The shipment figures released by the association are contained in a report compiled for the membership by RVIA's marketing committee under the chairmanship of Allen Yoder Jr. of Jayco Incorporated, Middlebury, Indiana.

RV shipments were as follows in May 1985		May 1984	Percent Change	Cumulative 1985	Cumulative 1984	Percent Change
TRAVEL TRAILERS	6,300	7,300	– 13.7%	31,300	38,400	– 18.5%
FIFTH-WHEELS	1,900	1,800	+ 5.6%	9,200	9,300	– 1.1%
TRUCK CAMPERS	900	900	0	3,400	3,900	– 12.8%
MULTI-USE VEHICLES	15,900	17,600	– 9.7%	73,200	75,100	– 2.5%
TYPE A: MOTOR-HOMES	3,400	3,900	– 12.8%	16,700	19,700	– 15.2%
TYPE B: VAN CAMPERS	1,000	800	+ 25.0%	3,100	3,500	– 11.4%
TYPE C: MINI MOTOR-HOMES	3,600	3,500	+ 2.9%	14,800	17,800	– 16.9%
FOLDING CAMPING TRAILERS	3,400	4,200	– 19.0%	17,900	19,400	– 7.7%
TOTALS	36,400	40,000	– 9.0%	169,600	187,100	– 9.4%